

Exchange Stakeholder Involvement Council

Meeting Notes

December 9, 2010

I. Call to order

- The regular meeting of the Exchange Stakeholder Involvement Council was called to order at 1:00 pm on December 9, 2010, in the Mary Alice Fortin Conference Center at the Billings Clinic in Billings, Montana.
- A quick overview of the meeting agenda was given.
- Montana Commissioner of Securities and Insurance Monica Lindeen thanked everyone for coming and thanked the Billings Clinic for all its hospitality.

II. Commissioner Lindeen provides an update on Exchange bill:

- *I appreciate everyone's feedback on the bill from the council and others. A number of changes were made but we will not go over all of them. Christina Goe will hit the highlights. Please see the general summary of the bill and the section by section summary included in your packets, which is also available on the website and a good resource for you to have and hand out throughout your groups or others who have questions. As we start in the legislature, we will be learning that we have to let it go and let changes be made-amendments will be made. However the process happens, I am confident we will come out with a good product that is a Montana-made solution.*
- *CSI Staff - All of you received a track changes document and those were mostly changes made that were things in LC0270, that were reflected in the ACA. In the section regarding the appointment of the board members, section three is the main change that has been made since you last saw the bill. We went back to 7 members, 3 appointed by governor, and 4 appointed by the commissioner. Also proposed is two non voting members, one appointed by the commissioner, and one appointed by the governor. Then there would be one from legislative services. Really nothing else substantive was changed other than the advisory committee in section 9 that is a mandatory requirement. We added a provision that would compensate members for travel and that they have to meet at least twice a year and more if decided by the commissioner. One other change is to report the role of producers as a topic studied by the background researchers. If you have any questions about the bill, please feel free to call me.*
- *CSI Staff - The governance structure has to be in place by January 1, 2013 or the federal government takes over.*
- *Stakeholder- Some of the research we've been directed to read suggests that a regional exchange might be a good idea. If we evaluate that option, how would that impact this legislation?*
- *Commissioner Lindeen- Do you mean region within the state or a multi-state region exchange?*
- *Stakeholder - multi-state*

- Commissioner Lindeen- *We've looked into feasibility of that and it will be evaluated in August of 2012. I've had conversations with commissioners of other states and every state is different. We definitely want the board to consider that option.*
- Stakeholder - *Exchanges drive quality care. Is that too late for this bill?*
- Commissioner Lindeen- *No, it's not too late. We can look at changes that may be made to the bill during the legislative session*
- Stakeholder - *Is Chuck Hunter back on for my question about the bill?*
- Stakeholder - *I was recently listening to the physician who used to head up the Institute for Health Care and Health Care Improvement. At the conference, they kept mentioning exchanges as a way to move improvement in health care. In a country where the poor end up sick and the sick end up poor, we need to lower costs and enhance care. Some of the hallmarks are for individual to population based thinking, evidence based systems, patient centered care, episodic to continuous care, and moving from health plans to moving toward value based care by looking at outcomes. Exchanges are another market option for public and private purchasers to allow people to line up the array of choices to make a better choice if they choose, to assign default enrollees to encourage the best value, and to encourage patient centered medical homes, patient centered medical care.*
- CSI Staff - *Please send that to cgoe@mt.gov. We do have in the board ways to get valued care with patient centered care and medical homes.*
- Stakeholder - *I was wondering why the original draft purpose statement said to ensure consumers are well educated and enhance the value of health care. The piece about the value of health care is not in the new purpose statement. Should we re-insert it as we are discussing the importance of the value of healthcare?*
- Facilitator- *I made that original statement based on the Exchange as a whole, while this statement is based more specifically on the role of the council.*

III. Review of the Exchange Grant Narrative, Dr. Ann Adair of Yellowstone Economic Associates

- Dr. Ann Adair- *I will give the review of the Exchange Grant narrative since Christa McClure doesn't have a voice. I have a PhD from Texas on Economics and have evaluated a number of different policy impacts on segments of population. Originally I was going to talk about the research portion of the grant, and now will also do the grant narrative for Christa McClure. The purpose of the Affordable Care Act was to allow for the development of exchanges for a more competitive environment and more transparent environment, a one stop shop for individuals and small businesses. State-specific exchanges will allow policies to be tailored to meet state mandated coverage and allow a better process for states to tailor program to their needs.*
- Stakeholder - *My understanding of the PPACA was that it is the Department's intent to presume for a minute that there are state mandates we have that aren't included in the statute. Are you going to make those regulations apply in the exchange?*
- CSI Staff - *No, we don't know because we have not seen the regulations yet. The bill we have proposed is at no cost to the state. The exchange must be functioning by Jan 1st 2013, self financing, self-functioning by 2015.*

- Stakeholder - *Functioning is a new word to me. I thought it was by 2013 we had to show the feds.*
- CSI Staff - *I think it is somewhere between the two. Functioning is going beyond. The exchange we've proposed would not be ready for functioning by 2013.*
- Stakeholder - *Would it be better to say that a governance structure must be in place by 2013?*
- Dr. Adair - *It must be self-financing and self sustaining by 2015 with no additional federal funding or state funding.*
- Stakeholder - *Since there is also a component of the exchange working on the behalf of DPHHS, would there be some costs that the DPHHS would have, to the extent that they might have an evaluation of availability. Then would there be a possibility of some state funding? Isn't it premature at this point to say no state funding?*
- CSI Staff - *It's not premature to say, especially with what we're learning in IT studying. We essentially need to make the systems talk to each other.*
- CSI Staff - *We are creating an interagency work group to figure these things out.*
- CSI Staff - *The newly eligible Medicaid population.*
- Stakeholder - *While there is a lot of financing to be worked out, is it fair to say we are uncertain about costs?*
- CSI Staff - *We are fairly certain there will be no cost to the state.*
- Stakeholder - *Yes, there is a concern there will be some funding?*
- CSI Staff - *I agree the assessments should not be used to pay for Medicaid eligibility systems.*
- Stakeholder - *There are a lot of small employers who are part of public entities.*
- CSI Staff - *Yes*
- Dr. Adair - *Data needs to be collected and analyzed during 2011 with operation needs to be determined and filled during 2011 and 2012. The responsibilities of the exchange is to determine or monitor eligibility for different programs, to know what subsidies individuals are eligible for, whether it is a government program or subsidies through the Exchange.*
- CSI Staff - *It might be that everyone first goes into the Medicaid eligibility system and then if they aren't eligible, they will go into the Exchange eligibility system.*
- Dr. Adair - *We will ensure that any plans offered by the exchange meet the minimum essential benefits determined by HHS.*
- CSI Staff - *The list is there but it will be expanded upon, will go into more detail and will put parameters on what they mean by things like habilitative and rehabilitative.*
- CSI Staff - *First they have to be approved by the Dept. of Insurance before they ever get into the Exchange.*
- Stakeholder - *Christina, you are correct but one of the underlying concerns is carriers being able to offer in the exchange and having to meet two requirements of standards with other things looked at for regulations so they aren't sometimes at odds with each other. Dual regulation would be a problem.*
- CSI Staff - *The health plans follow the federal model as of now. There is nothing to say that we couldn't approve them as meeting essential benefit requirements in our office. The Commissioner's authority is always going to control what the exchange does.*

- Dr. Adair - *There are several cost sharing levels: 5 tiers of benefit plans. They establish a procedure to select carriers and plans, set up a mechanism for people to evaluate and select plans and enroll, establish rules and plan choices, determine how premium billing and collection will be determined, and decide which navigators are going to be awarded grant funds.*
 - *Page 5 has multiple objectives beginning in October 2010 which overlap in timing:*
 - 1-background research about current market*
 - 2-implement planning activities to engage stakeholders and gather input*
 - 3-planning for integration of exchange with existing state and federal programs*
 - 4-assess resources and capabilities*
 - 5-determine governance structure of exchange*
- CSI Staff - *We will have two interagency workgroups, one for research and one for technology.*
- Stakeholder - *Are the interagency workgroup meetings going to be open public meetings like these?*
- CSI Staff - *Yes*
- Dr. Adair - *Back to the objectives that began in October -*
 - 6-provide information about financial systems needed for exchange*
 - 7-provide information about IT structure*
 - 8-provide options and recommendations for business operation of the Exchange*
 - 9-provide legal authorization to enact an Exchange*
- Final Report- October 2011*
- Role of the council -*
- What do the members want to react to, study, participate in, and assist with?*
- Dr. Adair - *Also, what do we need to do regularly at these meetings to ensure your time is used valuably?*
 - *Planning to build the exchange- 1*
 - Current unknowns-*
 - How many people in Montana are uninsured?*
- Stakeholder - *In thinking about the exchange and buying a policy in one of the different levels, why do we need to know how many people are uninsured?*
- CSI Staff - *Because that means there are more people potentially coming into the Exchange because they have insurance that may not even meet the minimum requirements, people who have mini-med plans, etc.*
- Stakeholder - *Do you have anything now to determine the extent of mini-meds and others as far as whether they are meeting requirements or not?*
- CSI Staff - *We need to set parameters around what underinsured means.*
- Dr. Adair - *How many people in Montana are below 200% of federal poverty levels?*
How many employers expect to drop coverage in the next few years?
- Stakeholder - *I also find it interesting in discussion in the council and legislative meetings, as far as what the definition of small group is, we talk about individual but not about how many employers don't offer coverage.*
- Dr. Adair - *There have been studies in the past but it wasn't split out like you said as far as 1-50 or 50-100 but I do remember there being some kind of study.*
- CSI Staff - *It is in the RFP to ask for the uninsured employers and group size.*

- Stakeholder- *Are you planning to do additional research on data centers?*
- CSI Staff - *Once we get to the deliverables, it will all be spelled out for each contractor.*
- Stakeholder- *We need to know more about people moving in and out of Medicaid and small employers.*
- CSI Staff - *I think you are right. When we get down to those details, we should talk to you about that again.*
- Stakeholder - *Will we ask questions about consumer perception as far as if their insurance coverage is good or bad so that we get their view and not just the researchers?*
- CSI Staff - *We have a market plan that we have to plan for, maybe something to look for in the next segment after we get past the preliminary base of research. We will probably be sharing the RFP with all of you to get your input as we are doing now so that we get the process moving forward and more ideas for what to expect from the researcher.*
- Stakeholder - *We should get more ideas about people who are switching from one program to another, in and out of insurance.*
- Dr. Adair - *Potentially yes, get an idea of how many people we would expect to be looking for insurance in the exchange, the makeup of the pool, medical conditions, age, gender, and the risk characteristics of the pool. Looking more at the demographics of those insured versus those uninsured gives us more predictability as far as what kind of risk is to occur among the different pools. We cannot estimate the particular payout because we don't know what the pools' makeup will be yet. Getting this research will give everyone a much a greater degree of understanding.*
- Stakeholder - *What about the shifting of the uninsured bracket and the risk tolerance of those being on their own without coverage?*
- Dr. Adair - *We not only have to consider those in lower income tiers but also those in middle and higher classes also, get an idea of who would choose catastrophic.*
- Stakeholder - *What is the timeline on the RFP?*
- CSI Staff - *The final report is due to HHS in Oct. of 2011. There are different sections because a lot of different parts will come from different companies because each section will require different services with different things being researched. The timeline will vary because some researchers will need to know other company's research in order to be able to conduct their research.*
- Dr. Adair - *What do we know already about Montanans- insured or not insured? Subsidies are not cost effective.*
- CSI Staff - *Where did that info come from?*
- Dr. Adair - *I'm not sure.*
- CSI Staff - *The subsidies that are in the ACA are not the same traditional tax subsidies. They're unique because they are sent in advance, etc.*
- Dr. Adair - *Federal Poverty Levels Slide*
- CSI Staff - *95% of the expansion program of Medicaid is paid for by the federal government, (133%).*
- Stakeholder - *Anna Whiting Sorrell said 55,000 people would be added to Medicaid.*
- Stakeholder - *I've heard 75,000.*
- CSI Staff - *We need to look and see if it would make sense for this state - who had risk and how it would be managed.*

- Stakeholder - *The feds choose the number because people cannot afford insurance below that level.*
- Dr. Adair - *Data required on the population slide*
 - Population data will allow*
 - Health insurer's data (component of RFP)*
 - Health insurer's data will allow*
 - data sources and uses*

IV. Role of the Stakeholder Council

What do the members want to react to, study, participate in, and assist with that has not already been named?

- On the phone- *Risk assessment, look at data flow for risk adjustments, cost effective health plans and cost effective providers, ways for consumers to make insurance choices.*
- Leann with HHS- *We need to constantly be aware of what is happening on the federal level so we know what to do in our state, what happens inside and outside the exchange market.*
- Stakeholder - *Currently I think we've seen a lot of articles about the Seattle problem. It's not that the physicians aren't smart people. It's the system is broken - great models to emulate that focus on quality, value patient focused care.*
- Stakeholder, on the phone- *Include transparency in the process, in description and our "process to transparency"*
- Facilitator - *What should we focus on during the process to ensure the transparency?*
- Stakeholder - *advance notice of meetings, materials in advance, documents in quick turn around*
- Facilitator – *What else do you think you need to do to ensure the transparency in your role?*
- Stakeholder - *What are we going to do with all the information in these meetings? Are we going to reach an agreement or decision? Vote on anything? Then deliver that decision to the legislature or the Exchange advisory council?*
- Commissioner Lindeen- *A lot really depends on what happens in the next session as far as what happens with the bill. Yes, that is the direction we are headed in. The council has a very important role.*
- Stakeholder - *The council should speak in a unified voice to the legislature as we move forward, look at the studies and, as a council, make the decision whether we are to make changes or amendments to the bill to give to the legislature.*
- Commissioner Lindeen- *I disagree there. I am the regulator, you are the industry. There is tension there. We have worked very hard to get through the process so far but I don't think we're going to always be able to agree.*
- Stakeholder - *Good point. Since we are all here for different reasons, where do you see the input of this council going as far as the power of the legislature?*
- Commissioner Lindeen- *The exchange council has to do with the planning process over 12 months because that is what the grant is paying for. Yes, part of the process is getting the bill passed because we need the enabling legislation in order to set up the governance*

structure. We also have a whole other set of things going on at the federal level. There are many different layers to the process we need to keep in mind at the same time.

- *Stakeholder - If the bill does not pass, the feds will come in and do it?*
- *Commissioner Lindeen- That is exactly what will happen. Our job will be done.*
- *Stakeholder - If we are using this council as a process to communicate to the public, we need to shift thinking to prevention and primary care to get to the type of healthcare we all want to have access to. In legislative meetings I learned that the Utah system is online. Have you looked at that as a council?*
- *Commissioner Lindeen- No, not as a council.*
- *Stakeholder - I think it would be good to help share this process with the public.*
- *Commissioner Lindeen- Maybe at a future meeting we can discuss Utah, but know that as of now the Utah system does not uphold the standards for the federal ACA. We did include a portion of the Utah model in our bill.*
- *CSI Staff - The main difference in Utah is that it's all employers. There's not an individual market.*
- *Stakeholder - I think in the legislature we're going to be on the fast track.*
- *Commissioner Lindeen- Yes, we will have the next meeting in the beginning of January on a Saturday so that would be a good time to have legislators in attendance.*
- *Facilitator - What kind of things would council members like to see on future agendas?*
- *Stakeholder - Well, certainly we would like a legislature update as far as status of bills.*
- *Commissioner Lindeen- Yes, we will always do that and also give you an update on changes on the federal level.*
- *Stakeholder - I would like to see interagency workgroup agendas or a report at our meetings.*
- *Stakeholder - An update as to what other states are doing when you hear things that are innovative from the NAIC, etc.*
- *Commissioner Lindeen- Montana is one of the few states that is going to be moving very fast.*
- *CSI Staff - Some states are working on research and if they've completed it, it would be a good thing to share.*
- *Stakeholder - For our group of physicians and other providers, we need some type of assurance of the adequacy of the physicians and other providers and how they will fit in the whole operation of the structure.*
- *CSI Staff - There is a provision in the bill that says you will be in the same network as insurers, same network in and out of the Exchange. The networks are what they are. There will be recertification in the Exchange for your providers. If they had a BCBS policy, they would be accepted in the Exchange the same way.*
- *Stakeholder - There is a network adequacy law in Montana, filing with the DPHHS today, with respect to managed care only.*
- *CSI Staff - I don't know why there'd be need for additional certification if there's already certification in one network of managed care.*
- *Stakeholder - Getting the demographic of the insured and uninsured research data gathered and using it to figure what our population opportunities would be in the future. If the objective is to lower the uninsured, we would need to see the data to know who they*

are and how to help them and how to teach them to be a consumer of health insurance when they never have been before. We cannot miss this key component.

- *CSI Staff - In part of the RFP process, the company will be gathering the info and an economist will be taking all the info to provide to us the different models and show us specifically what is happening, communication between groups, and data analysis.*
- *Stakeholder - We need to hear all the data in order to give feedback on it.*
- *Stakeholder – There is 2006 report on data of the uninsured, a U of M study.*
- *Stakeholder - The Montana Business Quarterly has fascinating articles about the health insurance exchange by Greg Davis.*
- *CSI Staff - Greg Davis worked on rate review research. We could have him do more for the Exchange and share the info with you all.*
- *Stakeholder - We need to find out in research the role of the agent, how many people that have insurance now work with an agent and what is the value of that agent to the consumer?*
- *Commissioner Lindeen- It is really important to consider the role of the agent. We have a small task force of 8-10 commissioners to come up with recommendations for continuing to ensure the agent's role continues because it is important to consumers.*
- *Stakeholder on the phone- January 8th will not work for legislators. We are in session that day.*
- *Commissioner Lindeen- Could we meet for a half day? Could we meet at 1 pm?*
- *Stakeholder – I'm not sure, but afternoon would be safer.*
- *Commissioner Lindeen- It's probably a better option to move to the following Saturday. What does the council think?*
- *Stakeholder - Or we could consider doing it on an evening?*
- *Commissioner Lindeen- My only concern is there are many other evening functions that serve food, etc.*
- *CSI Staff - Federal grants cannot pay for food.*
- *Facilitator - We will plan on the following Saturday, January 15th. Council members, what do you want to be covered in that meeting?*
- *Stakeholder on the phone- What are the minimum requirements the state has to cover to prevent having the feds from stepping in? We should cover that.*
- *Stakeholder - I was impressed with the timelines in the academy health article. What are some major milestones you would like to see accomplished in the near future, besides state enabling legislation, federal regulations, research, etc.? What are the first priorities?*
- *Stakeholder - We need to get everyone talking on the same plane.*
- *CSI Staff – Let's include acronyms*
- *Facilitator - What else on January 15th?*
- *Stakeholder- Legislation, other bills in the discussion.*
- *Facilitator - What else would be helpful? The staff will add to this list but this is helpful so that we know what you all want*

V. PUBLIC COMMENT

- Michael Butz, Ph.D. - Montana Psychological Association- The date of data that we're looking at, 2006, is very important. It is critical to get recent data; it will affect the kind of data you are offering to citizens, the kind and quality of services that you need to offer in the exchange. In regards to a question by Kristianne about regionalizing the exchange, it might be important to consider regionalizing with like states rather than states nearby. States with similar demographics to ours would make more sense. How much autonomy do states have? You're waiting for federal definitions. What if Montana's don't match?
- Stakeholder, Children's Defense Fund- Will the Exchange be determining eligibility for Medicaid and HMK?
- CSI Staff - The Exchange would not have the authority. It's not a state agency.
- Stakeholder - Isn't eligibility determined by the state legislature?
- CSI Staff - They could go beyond but have to meet the federal floor.
- Stakeholder - Would that process go to the exchange or stay with DPHHS?
- CSI Staff - You cannot delegate those types of authorities to a non-state agency.
- Commissioner Lindeen- The Exchange would determine and then send them over to DPHHS.
- CSI Staff - In Massachusetts people put their info into a system and it goes first to Medicaid and if they aren't eligible then they send them to the Exchange to be eligible for subsidies provided by the Exchange. I've heard they may be exploring common systems for Medicaid as well. There are advantages to be gained by uniform IT systems.
- Stakeholder - I recommend the council look at a statewide IT database that's not just a point of service but a statewide database where medical records would be accessed at any part of the state.
- CSI Staff - The medical records issue is a whole other issue.
- Stakeholder - At what point will services, etc. be determined, what services will be covered. Who will make that decision?
- CSI Staff - The minimum federal standard.
- Stakeholder - Some will be gone?
- Commissioner Lindeen & CSI Staff - No, no.
- Optometrist- You need to remember independent providers, people providing care for those you're trying to provide insurance to. Some plans discriminate against us, don't allow us to see them. Keep in mind how you're defining the term physician. Access and parity to mid-level physicians is very, very important here.